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SUBJECT: FRANCE SEEKS TO REDUCE GHG EMISSIONS BY A 'FACTOR
OF 4'

¶1. On October 9, Ecology and Industry Ministers, Nelly Olin and Francois Loos, jointly presented at a 'Factor 4' Conference the final report of the Working Group on 'Achieving a four-fold reduction in GHG emissions in France by 2050.' Written under the supervision of the French Council of Economic Analysis, the study included recommendations for more stringent regulations regarding emissions of GHG gases and improvement of incentives to prevent such emissions. The F-4 authors acknowledge that their target of a four fold reduction in GHG's by 2050 is ambitious. In their words it is, "Feasible yes, easy no."

Context

¶2. In France, President Chirac and former PM Raffarin first raised F-4 in February 2003 at the 20th plenary session of the Intergovernmental Panel on Climate Change (IPCC) in Paris. France's objective, based on the findings of the third IPCC assessment report, is to stabilize atmospheric CO2 concentrations from rising above 450 ppm, with a goal of limiting the global warming to a further 2 degrees Celsius. (According to some climate experts cited in France, this means that worldwide GHG emissions must be halved by 2050.) "By virtue of the principle of shared but differentiated responsibility," the GOF established its own target of a four fold reduction in national GHG emissions by 2050. In July 2005, France passed this F4 objective into law.

¶3. Also in 2005, the GOF appointed an "F4 working group" of 31 members including representatives of French ministries, companies, and company associations (EDF, GDF, Total, Areva, Enterprises for the Environment, Chamber of Agriculture), public/international organizations (Academy of Technology, IEA, ADEME, Meteo-France), research sector (CNRS, IDDRI), unions, local authorities, NGOs (WWF, Greenpeace France, Réseau Action Climat). The group was tasked to review (already existing) long-term energy scenarios and to make recommendations to the GOF to help France achieve its F4 objective.

Conference highlights

14. The F4 group consensus at the October 9 conference was that the trend in energy policy is NOT acceptable. The group acknowledged a high degree of uncertainty concerning the future, the shortcomings of long-term scenarios, and the lack of precision as to the effects of technical advances and rate of dissemination of new technologies; hence, the need to proceed with "utmost modesty." The speakers, nevertheless, underscored a number of key elements that should be given immediate consideration:

-- GDP should not be constrained in the medium and long-term, but growth should be better managed to reduce its GHG component; the development of long-term strategies based on strong voluntary action is critical.

-- Energy efficiency is "the absolute priority" as it is thoroughly coherent with the three criteria for a satisfactory energy policy (it is good for economic growth, involves limited costs, and energy efficiency technologies and materials already exist and could be implemented rapidly). Standardization at the European level is a must and energy inefficient products should be removed from the marketplace.

-- Energy accounts for around 70% of GHG emissions and should therefore represent some 70% of the Factor 4 solution. Nuclear energy represents 6% of global energy in Europe and 2% worldwide. Although some 80% of French electricity is generated by nuclear power plants, nuclear accounts for only 17% of France's total (all sources) energy production. Given these percentages, focusing the debate on nuclear energy in order to build up a climate strategy does not seem justified." In France, the areas that need urgent attention are existing buildings, transport, and the

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development of combined heat and power technology in industry.

-- A large number of countries will continue using coal (e.g., China, India, U.S., Russia, and Indonesia). Cost-effective CO2 storage and sequestration is one of the most critical problems in the coming years.

-- Technological advancement in the transport sector is an absolute necessity.

-- Renewable energies (wind, solar) cannot solve the Problem; biomass potential is superior to wind and solar.

-- Existing tax incentives are not efficient. The GOF must become more regulatory and reflect this new approach in the Revised National Climate Plan which will soon be released.

-- Research alone is insufficient.

-- Behavior patterns, particularly consumption, are key factors.

----- 29 Recommendations -----

15. The report includes 29 recommendations intended to cover every sector of activity: transport, construction, industry, agriculture, and energy production; all economic actors: the State, local authorities, businesses and citizens in general; and all public policy tools, including research, regulations, financial and tax incentives (positive or negative), communication (education and awareness), and information (e.g. systematic labeling). The F4 group listed its recommendations under three main categories.

16. Strategic recommendations include the need to:

-- Define objectives for gradual and realistic GHG reductions matching the rate of investment renewal and new technology development. Objectives need to be established 10-20 years in advance to give business enough leeway to plan for low-emission investments. Improve the efficiency of the Emissions Trading System (e.g., broadening its scope, lengthening quota allocation periods).

-- Establish an intermediate target (-25% of -30% compared to 2005 by 2020-2025) in liaison with socio-economic actors.

-- Design and implement a "National F4 Pact" to be integrated at the European level.

¶17. Public policies will be needed to assure consistency between projects from public financial agencies and French climate change policy (e.g. introduce parliamentary oversight for COFACE projects; clarify GOF position vis-a-vis the World Bank and regional development banks). A European strategy should be adopted for a long-term investment plan for purchases of emission quotas after 2012, without waiting for the introduction of institutional arrangements still under international negotiations whose outcome is uncertain. The report further notes that "this would also place the EU in an innovative position with regard to international climate change activities."

¶18. Yet other recommendations for sectoral change include detailed actions that each sector should implement. For example, in the transportation sector, the authors of the report recommend a focus on mass transportation, to reduce maximum authorized speeds to 120 km/hour instead of 130 km on motorways as a start (which would reportedly immediately save 2 million tons of CO2/year), to legalize urban tolls, to make road tax compulsory for freight transports, and to tax aviation fuel. In the agricultural sector, the report advocates large-scale use of biomass resources for energy recovery and production of chemicals or materials in order to substitute fossil energy by 2020. It further recommends long-term R&D investments in biomass.

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¶19. Other recommendations are intended to raise awareness and foster action to improve energy consumption behavior. Finally, there are recommendations dealing with fiscal measures and regulations aiming to establish minimum efficiency standards for each family of electrically-powered appliances and systems.

¶10. Comment: The French F 4 program is an ambitious one as well as very much a work in progress. An environmental report released the week of October 16 lamented that French personal comportment with regard to energy consumption in the vehicular and housing sectors has changed but little despite intense discussion of the climate problem in recent years. The F4 program also hardly constitutes a strategic plan; it is more of a vision. Suggestions for tightening regulations are not likely to go any where in this election season in France and may be untenable at any time. Changing French habits will certainly not come easy. End Comment.

STAPLETON